
ENVIRONMENTAL Fact Sheet



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Disadvantaged System Program

This fact sheet identifies the criteria and describes the procedure used in the Drinking Water State Revolving Loan (DWSRF) program regarding the Disadvantaged System Assistance Program.

Definition

A disadvantaged community or system is defined as a community public water system or community that serves residents whose median household income (MHI) is less than the statewide MHI based upon the most recent census data and/or salary survey.

If an applicant for DWSRF assistance meets the definition of “disadvantaged,” and if the resulting project user rate (which is the total of the existing rate in addition to the rate that results from the new project) exceeds the statewide affordability criteria, they may be eligible for subsidies from the Disadvantaged System Assistance Program. Subsidies will be available in the form of principal forgiveness until 30 percent of the project fund set aside for this purpose has been expended. This program only applies to infrastructure projects, although there will be a grant program for source water protection set aside projects.

Limitations to Disadvantaged Program Assistance

All other subsidies obtained from other institutions that will reduce the project cost shall be considered when calculating a project’s affordability. The subsidy an applicant receives from the DWSRF Disadvantaged System Community Program will reflect the contribution from other sources of assistance resulting in an amount of subsidy that does not exceed the amount that the system would be eligible for under this program alone.

Loans for land acquisition and source protection activities for disadvantaged communities or systems can only be accomplished with loan money from the source water protection (SWP) account at the standard rate for project loans. No principal forgiveness will be given for source water protection activities.

Affordability Criteria and Terms of Financial Assistance

Affordability of a proposed project considers both the resulting user rate (based on usage of 275 gallons per household per day) and the median household income of the community system or community in which the system exists. An affordable project is one that results in user rates that do not exceed 1 percent of the system or town MHI. For the purpose of determining the level of subsidy given the applicant through the Disadvantaged Community System Program, the following process will be followed:

Communities or community systems with an MHI less than the statewide MHI are considered disadvantaged. Such communities or systems deemed “disadvantaged” will be given, when available, a subsidy in the form of principal forgiveness to bring the resulting user rate closer to being “affordable”. The level of subsidy will be determined by using an Affordability Index which serves to measure the impact of a project on a disadvantaged community. The Index is calculated by dividing the resulting project user rate by 1 percent of the community or community system’s MHI. Loan rates and terms for this program will be the same as those for standard project loans.

Total Amount of Funding to be Given to Disadvantaged Communities/Systems (up to maximum of 30 percent of CAP grant in FY 97) New Hampshire Department of Environmental Services intends to reserve 30 percent of the DWSRF infrastructure project fund to make available to disadvantaged communities and community systems in the form of principal forgiveness for eligible projects. The total funds obligated to actual projects may not exceed the amount allocated in any given year. Any funds not obligated to projects will be available for standard project loans.

Identification of Systems to Receive Assistance Projects will be prioritized using the system as described in Section 6A of the Intended Use Plan and identified on the project list as eligible for assistance from the Disadvantaged Community System Program.

For Additional Information

Please contact the Drinking Water and Groundwater Bureau at (603) 271-2513 or dwgbinfo@des.state.nh.us or visit our website at www.des.nh.gov/dwgb. All of the bureau’s fact sheets are on-line at www.des.nh.gov/dwg.htm.

Note: This fact sheet is accurate as of January 2007. Statutory or regulatory changes, or the availability of additional information after this date may render this information inaccurate or incomplete.